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AGRICULTURAL COOPERATION

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COOPERATIVE GRAIN MARKETING BY CENTRALIZED ASSOCIATIONS

For four years the percentage of the wheat crop of the United States, marketed through centralized associations, or wheat pools, has been declining. The first of the big regional wheat-marketing organizations was the Washington Wheat Growers' Association, formed in 1920, which, with the Idaho and Oregon pools, marketed approximately 11,400,000 bushels of wheat during the 1921-22 season. This quantity was 1.4 per cent of the 1921 crop. The following season there were 11 associations which marketed 2.5 per cent of the crop.

Twelve centralized associations in the 1923-24 season handled more than 27,000,000 bushels of wheat or about 3.4 per cent, which is the high figure up to the present time. Since 1924 the percentage has declined from 3.4 per cent to 1.4 per cent, as will be noted below:

Marketing season	Active associations	Wheat marketed by pools	Per cent marketed by pools
	(Number)	(Bushels)	
1921-22	3	11,400,000	1.4
1922-23	11	21,900,000	2.5
1923-24	12	27,100,000	3.4
1924-25	10	27,900,000	3.2
1925-26	9	16,800,000	2.5
1926-27	9	17,500,000	2.1
1927-28	8	12,000,000	1.4

The pools which were active for the 1927-28 season are those serving wheat producers in Minnesota, North Dakota, South Dakota, Nebraska, Kansas, Oklahoma, Texas, and Indiana. The North Dakota association includes some Montana growers among its members and the association with headquarters at Indianapolis is serving the soft wheat growers of Indiana, Illinois, and Ohio.

Only a small fraction of the grain marketed cooperatively is handled through the wheat pools, by far the greater part is marketed through the farmer-owned country elevators, of which there are nearly four thousand.

EQUITY EXCHANGE HAS GOOD RECORD OF EARNINGS

With a paid-in capital of \$20,250, capital credits of \$1,480, and a surplus of \$19,394, the Scranton Equity Exchange, Scranton, S. D., reports net earnings to the amount of \$30,718 for the year ending June 30, 1928. The Exchange operates two grain elevators in the city of Scranton. Wheat and durum are handled in the largest quantities, followed by flax, rye, barley, corn, and oats.

The Scranton Equity Exchange started in business in 1914 and reports an unbroken record of net earnings ever since. These earnings have amounted to something over \$140,000.

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MICHIGAN ELEVATOR EXCHANGE REPORTS BIG BUSINESS

Business to the amount of \$9,000,000 during the past year, was reported by the Michigan Elevator Exchange, Lansing, at its ninth annual meeting held July 17. In spite of a 70 per cent crop the Exchange shipped about 5,300 cars of grain and beans, the largest tonnage it had ever handled. It prorated to its member elevators during the year \$50,000 in cash and stock dividends, this amount being more than 300 per cent on the original total investment by the member elevators.

The Michigan Elevator Exchange was first formed as a department of the Michigan State Farm Bureau in 1920 and two years later was incorporated separately under the present name. In 1924 it acquired a terminal elevator at Port Huron for handling, drying and storing beans.

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RECORD INTERIM PAYMENT BY CANADIAN WHEAT POOL

Checks totaling more than thirty-four million dollars were distributed to members of the wheat pools of Alberta, Saskatchewan and Manitoba, on July 28, as a second interim payment on 1927 wheat. This was the largest interim payment ever turned over to the provincial pools by the sales agency, the Canadian Cooperative Wheat Producers, Ltd., Winnipeg. Checks went to practically every post office in the three provinces. The amounts distributed ranged from 14 to 25 cents a bushel. The first interim payment was made on March 10, and amounted to nearly \$28,000,000.

All grade differentials were adjusted in the second interim payment, and all deductions were made for elevator and commercial reserve, carrying charges, and the like, therefore, the final payment to be made at the end of the marketing season, will be a flat payment for all grades.

The general manager of the sales agency comments that the 1927 crop was large in volume but suffered from frost, rust and excessive moisture, and was unusually difficult to market.

AN ACTIVE ELEVATOR IN NORTH DAKOTA

For 26 years the grain growers in the vicinity of Hatton, N. D., have been served by their own marketing association, the Hatton Farmers' Elevator Company. During that period approximately ten million bushels of grain have been handled and net earnings amounting to more than \$200,000 have been returned to the members in the form of dividends.

At first the association operated with less than \$7,000 of capital stock, but in 1916 the capital stock outstanding was increased to \$24,000.

The number of stockholders increased year by year until 1924 when the number was 514. In that year, however, operations resulted in a deficit and the membership dropped back to 445. It is now up to 474. Every year since 1924 net earnings have amounted to more than \$17,000.

More than 6,000,000 bushels of grain have been handled since 1918. Of this quantity 64 per cent was wheat; 13 per cent, barley; 5 per cent, oats; and the remainder was flax, rye and buckwheat.

The development of this farmers' enterprise since 1912 is indicated by the following figures:

Year	Number of stock holders	Capital stock outstanding	Surplus	Net earnings	Dividends paid*
1913	---	\$ 6,900	\$20,021	\$ 3,536	\$ 2,070
1914	---	6,900	21,487	3,145	2,070
1915	---	6,850	22,437	8,150	**6,850
1916	333	24,050	-----	7,917	7,056
1917	---	-----	-----	-----	-----
1918	400	25,000	590	7,292	10,353
1919	404	25,000	528	19,372	18,808
1920	432	25,000	1,424	32,766	32,567
1921	464	25,000	2,279	9,043	6,655
1922	472	25,000	4,263	20,062	19,739
1923	491	25,000	5,885	16,330	16,276
1924	514	25,000	5,720	# 77	1,940
1925	445	19,560	164	24,692	22,492
1926	453	19,470	2,269	22,495	19,450
1927	465	19,270	5,404	17,780	14,557
1928	474	19,150	8,772	20,342	14,867

* Paid to stockholders.

** Same amount as outstanding capital stock.

Loss.

SOUTH DAKOTA WHEAT ASSOCIATION MAKES CHANGES

Several important changes have been made in the plan of organization and operation of the South Dakota Wheat Growers' Association, Aberdeen, S. D. The articles of incorporation and by-laws have been amended to provide that members be represented at annual meetings by locally elected delegates, instead of appearing in person or mailing ballots in order to vote. The first meeting held since this change was on July 24 and 31 locals were represented by 46 delegates who elected a new board of directors.

The entire territory of the association was redistricted to provide for more equitable representation, and the districts were arranged to radiate from the center of the wheat territory, in order that future expansion might not throw the districts greatly out of balance.

Other changes included a provision to pool all grain as well as wheat, a provision to form local associations at delivery points, and a provision for a new 10-year contract with a clause permitting a member to withdraw at a stated period any year after he has delivered two crops under the contract.

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NORTH CAROLINA COTTON SOLD TO MILLS OF STATE

Every bale of its 1927 cotton sold direct to North Carolina mills which are "clamoring for more," is the record of the North Carolina Cotton Growers' Cooperative Association, Raleigh. This is the goal toward which the association has been working for some years. Attaining the goal involved teaching the members to produce the kind of cotton the mills wanted, and so organizing the business that shipments could be made in even-running lots of grade and staple when ordered. One large chain of mills bought over 10,000 bales of cotton from the association. The management is confident that the members are producing better cotton every year and that the mills of the state are recognizing this fact and, therefore, demanding the product.

Settlement on all cotton sold up to July 30 was completed in July. In the sections where large quantities of cotton were produced, officials of the association held county meetings and delivered the checks in person, explaining any features of the settlement which were not clear.

Prices received for the seasonal pool averaged 20.80 cents for middling white $\frac{7}{8}$ inch cotton. Strict middling white, $1\frac{1}{4}$ inch, brought 27.10 cents. Storage and insurance came to \$1.92, and interest to \$1.65, both items being somewhat higher than last year due to a longer storage period and a higher initial payment. Operating charges amounted to \$2.20 per bale.

TEXAS COTTON ASSOCIATION PRESENTS NEW CONTRACT

One hundred twenty-one meetings are being held by the directors and officers of the Texas Farm Bureau Cotton Association, Dallas, Tex., in behalf of a new marketing contract. This contract will have to be approved by a majority of the members in order to become effective. Officials hope to secure the required approval within a few weeks, and thus be able to market the 1928 crop under the terms of the new agreement.

Two major changes in the method of marketing will be brought about by the adoption of the new contract. An optional daily price-fixation pool will be added, giving the cotton growers a choice between this new pool and the existing seasonal pool. Provision has also been made for the cancellation of contracts during the first two weeks of every second year. The new contract covers a period of ten years.

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ASSOCIATION HANDLES PLANTING COTTON SEED

A report of the activities of the Farm Bureau Planting Cotton Seed Distributors, Bakersfield, Calif., shows that during the past year the organization handled 631,202 pounds of planting seed which it sold for \$92 a ton, bringing the sum of \$29,043. The association also purchased outright 28,581 pounds of seed which it sold for \$1,314. Sales of sacks amounted to \$775, making a total business of \$31,133. Net earnings amounted to \$855.

The acreage utilized for reproduction was about the same as the previous year. The fields were inspected systematically throughout the season and several fields were disqualified before picking time because of weeds, leaving about 650 acres which produced about one bale of cotton to the acre in the first picking, from which the seed was saved. Samples of seeds of all lots were sent to the State Department of Agriculture for analysis, and ran about 5 per cent higher than the samples of the previous year.

About 330 tons of registered seed was secured, all of which was sold by the middle of February and orders were received for 350 tons more. As the association was unable to supply these orders they were referred to commercial dealers. Only one car load of seed was sent out of the valley. Small shipments went to Arizona, Oklahoma, Florida, San Salvador, and Russia.

Labeled sacks were supplied to the growers at cost, delivered at the gins. Seed was stored largely in commercial warehouses in the different districts in order to be readily available. In some sections it was stored on ranches.

A new strain of seed which is expected to mature from 15 to 20 days earlier is now being tested.

TENNESSEE COTTON NEARLY ALL SOLD

Of the 20,982 bales of cotton delivered to the Tennessee Cotton Growers' Association, Memphis, from the 1927 crop, all but 2,612 bales had been sold on July 20. The remaining cotton is being closed out as rapidly as it can be sold to good advantage, preference being given to mill buyers, because the management believes that "the great future in cooperative marketing lies in the direct-to-mill business." Growers have now received \$1,319,875 on their 1927 cotton. Final settlement is promised for the near future.

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FINAL SETTLEMENT FOR GEORGIA COTTON POOL

Final settlement for cotton handled by the Georgia Cotton Growers' Cooperative Association, Atlanta, has been made except for a few hundred bales of long cotton. All cotton up to 1-1/16 inch in length has been sold and final settlement made on the basis of 20.54 cents for middling white, $\frac{7}{8}$ inch staple, after expenses were deducted. Total association expenses amounted to 1.19 cents per pound although there was a decrease in the quantity of cotton delivered, compared with previous years.

The management states that low middling of the various lengths brought growers net prices ranging from 19.74 cents to 21.49 cents; good ordinary netted 18.74 to 19.74; ordinary brought 17.99; and "dogs" netted members 16.99. Unsold long staple cotton is to be held for the present with the hope that market conditions will improve.

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LOUISIANA ASSOCIATION SETTLES FOR SHORT COTTON

All short staple cotton delivered to the Louisiana Farm Bureau Cotton Association, Baton Rouge, has now been sold and growers have received their final settlement. Checks to the amount of \$429,600 went to members late in July, making an average net price of 20.80 cents per pound. Market conditions made it necessary to carry cotton longer than usual this year and the carrying charge amounted to \$4.21 per bale. Of this amount \$1.78 was for interest, 45 cents for insurance, and \$1.98 for warehousing. The net association expense for handling was \$2.81 per bale, making a total of \$7.02, and leaving a net return to the grower of 19.40 cents per pound. Pool prices ranged from 22.98 cents to 17.79, with one pool of 370 pounds bringing only 9.31 cents.

In addition to the \$429,600 payment on short staple, the association also sent out \$35,000, representing 1 per cent retained from the proceeds of the 1924 crop.

ALABAMA GROWERS GAIN BY HOLDING COTTON

Final settlement for 1926 cotton has been completed by the Alabama Farm Bureau Cotton Association, Birmingham. This distribution was on 21,110 bales placed in the long pool and amounted to \$276,000. When this cotton was pooled the market was in a chaotic state and prices offered ranged from 6 to 11 cents per pound. The cotton association advanced that amount and as prices improved the members drew on the association for further payments. Final settlement was made on the following basis: middling, 17.90; strict middling, 18.47; good middling, 18.97; strict low middling, 16.90; low middling, 15.59; strict good ordinary, 25.25. The general manager of the association states that the growers who placed their cotton in this pool received an average of \$35 a bale more than if they had sold at the low prices which prevailed in 1926.

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FINAL SETTLEMENT BY STAPLE COTTON ASSOCIATION

On August 1, the Staple Cotton Cooperative Association, Greenwood, Miss., distributed to its members \$1,086,000 as final settlement on pooled cotton of the 1927 crop. For all pooled cotton of all grades and staples, the average price realized was 24.26 cents per pound. The four highest pools contained more than 1,000 bales and brought the following prices: 29.96, 29.22, 28.73, and 26.03 cents per pound. Four individual growers with crops of considerable size received the following average prices: 28.30, 27.36, 27.22, and 26.27 cents per pound.

The management states: "We have had larger average prices, but taking the season's marketing conditions into account, we regard the year just closed as the most successful from the standpoint of sales."

In the past seven years the Staple Cotton Cooperative Association has handled 1,193,357 bales of cotton for Delta growers, with a value of \$141,830,000. Its business amounts to about \$20,000,000 annually. During the present year the association is furnishing growers, with production credit in excess of \$2,000,000 through its subsidiary, the Staple Cotton Discount Corporation.

In order to come into closer touch with its members and also to increase their number, the association has established a membership department with a manager in charge. This manager has sent to each member a letter asking for suggestions for improving the service, also for the members' opinions regarding the strong and weak points of the organization. He states that the great majority of the letters received are commendatory, only a few containing suggestions. Several letters are published in the July number of the Staple Cotton Review.

MORE MILK PRODUCERS IN DAIRYMEN'S LEAGUE

During a period of seven years the number of milk producers under contract to the Dairymen's League Cooperative Association, Inc., New York City, has increased from 50,843 to 71,603, an increase of 41 per cent.

The League began on a pooling basis on May 1, 1921, more than 50,000 milk producers having signed contracts agreeing to use the marketing machinery created for their benefit.

Within twelve months the number of contracts had increased to 65,000. Owing to heavy cancellations in the second year of operation, the association started the third year with but 64,251 contracts in force. Again there was a heavy cancellation and at the beginning of the fourth year there were but 63,746 contracts. There were heavy cancellations during the fourth and fifth years. Some gains in number of contracts were made in the sixth year and more in the seventh, so that at the beginning of the eighth year the number had increased to 71,603.

The gains and losses are shown in the table below:

April 1 to March 31	Number of contracts for delivering milk or cream*				
	At beginning of year	Received during year	Total before can- cellations**	Cancel- lations***	Total after can- cellations#
1921-22	##50,843	17,470	68,313	3,263	65,050
1922-23	65,050	9,837	74,887	10,636	64,251
1923-24	64,251	4,587	68,838	5,092	63,746
1924-25	63,746	5,116	68,862	4,227	64,635
1925-26	64,635	3,890	68,525	5,105	63,420
1926-27	63,420	5,079	68,499	2,116	66,383
1927-28	66,383	7,423	73,806	2,203	71,603
1928-29	71,603				

* Compiled from annual reports. ** At close of business year, March 31.

*** Not including cancellations reconsidered before close of fiscal year.

April 1. ## May 1, 1921.

The total number of contracts signed during the seven-year period was 104,245, and the total number of cancellations, 32,642. Many of the cancellations were by farmers who had gone out of the dairy business and a certain percentage represented deaths among members. Some of the cancellations were by dissatisfied producers who had decided to market their milk independently of their brother producers in the League.

The number of contracts in force does not represent the number of producers actually delivering milk, as there are always a large number of farmers who are just going into, or just going out of the dairy business; there are also producers with small herds who deliver irregularly. The number of pooling members for the 1927-28 year, was 41,022.

CREAMERY COMPETES WITH EIGHT CREAM STATIONS

A creamery was opened by the Craig County Milk Producers' Co-operative Association at Vinita in Northeastern Oklahoma in 1926. The necessary capital for establishing the plant was obtained from the milk producers on the basis of a loan of \$10 for each cow being milked. After the payment of operating expenses, six per cent of the sales is withheld for capital purposes.

There are eight cream shipping stations operating at Vinita, however, about one-third of the cream produced locally is now made into butter at the creamery. More than 200 dairymen are served by this co-operative enterprise.

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MICHIGAN CREAMERY SERVES LARGE SECTION

The Farmers' Cooperative Creamery Association, Big Rapids, Mich., is serving farmers residing in four counties. Prior to 1917 it was an unincorporated association, the Model Cooperative Creamery Association, with a membership of 200 who paid a membership fee of \$3 per cow. This first association was not very successful but the members persisted in their efforts to work together and the turning point came with reorganization and incorporation in 1917, and the employment of a skilled manager. The development of the creamery is told in part by the following figures selected from annual reports:

Year	Number of members	Butter made (Pounds)	Volume of business
1913*	200	200,000	\$ 40,000
1917	300	-----	120,000
1918	350	306,000	145,900
1921	---	-----	301,197
1922	1,000	848,974	320,687
1924	---	1,204,000	475,126
1925	---	1,443,000	633,557
1926	---	1,631,283	681,176
1927	1,659	1,700,000	764,218

*Model Cooperative Creamery Association.

Real estate and buildings are valued at \$14,000, and the equipment at \$18,000, with no debts. Butter of high quality is made and buttermilk is converted into powder.

ONE OF IOWA'S SUCCESSFUL CREAMERIES

One of Iowa's successful creameries is operated by the Rowley Farmers' Cooperative Creamery Company, Rowley, Buchanan County. This company was incorporated in March, 1922, with authorized capital stock of \$10,000 in shares of \$50 each. One hundred twenty-two shares were sold and the remainder of the amount needed for a plant was borrowed. This indebtedness was all paid back within four years and even while paying off the debts the farmers received good returns for their butterfat. The creamery opened for business on August 2, 1922, with 95 patrons delivering cream the first day. On January 1, 1928, the number of shareholders was reported as 122 and the number of patrons being served was 135. About half of the patrons deliver their own cream, the others are served by two trucks which go through the territory collecting cream. All cream must be delivered every other day.

During the first year the creamery sold 186,820 pounds of butter and paid patrons 49.04 cents for butterfat. Butter is sold to patrons, on the local market, and shipped to New York in tubs. Sales in 1927 amounted to \$73,855.

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COOPERATIVE CREAMERY BUTTER IN IOWA

Fifty-seven per cent of the creameries in Iowa are cooperative enterprises. The total number of creameries operating in 1927, according to the report of the Dairy and Food Division of the Iowa Department of Agriculture, was 463, of which 264 were cooperative. Forty-two per cent of the creamery butter produced in Iowa in 1927 was made in cooperative plants.

Figures for the five years, 1923 to 1927, relative to creameries and amount of creamery butter made, are as follows:

Year	Iowa creameries			Creamery butter		
	Total number	Number cooperative	Per cent cooperative	Total made	Made by cooperatives	Per cent by co-operatives
				(Pounds)	(Pounds)	
1923	435	227	52.2	132,878,353	50,772,138	38.2
1924	445	260	58.4	140,504,673	64,372,217	45.8
1925	448	262	58.5	165,835,574	74,152,506	44.7
1926	455	274	60.2	172,257,863	73,712,010	42.8
1927	463	264	57.0	192,442,103	81,269,654	42.2

Although the quantity of butter made in cooperative plants has increased during the past five years, the percentage which this butter is of the total state production of creamery butter has been declining since 1924.

WENATCHEE ASSOCIATION TO CAN CULL APPLES

The Wenatchee District Cooperative Association, Wenatchee, Wash., is arranging to can cull apples for its members. In order to handle this business to the best advantage, a special contract has been drawn up as a supplement to the regular membership agreement. By signing this contract the member advises the association whether he wishes to pool his cull apples this season or not. The contract also covers the 1929 crop but contains a withdrawal clause. Growers are warned that they can not make any money canning small sizes and should keep such apples at home. A limited quantity of Bartlett pears will also be canned

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FIVE LINES OF ACTIVITY BY NEW YORK COOPERATIVE

Five lines of business are being conducted by the Clintondale Fruit Growers' Association, Inc., Clintondale, N. Y. The association was organized in 1919 to market the fruit of its members and to provide cold storage for the fruit until it was marketed. Now, in addition to its cold storage and marketing business, it operates a factory for the manufacture of fruit packages, handles fertilizers and farm supplies, and conducts a wholesale gasoline and oil business.

Originally the association was financed with collateral notes of \$500 each, given by its members. As soon as the cold storage plant was built, mortgages were placed on the property and bonds of small denominations, bearing 7 per cent interest, were sold to members and others. Provision was made to set aside regularly a portion of net income to retire the bonds. This method of financing is to be continued. A new bond issue of \$200,000, to replace old bonds and provide for expansion, is contemplated.

Plans are being developed to enlarge the storage plant and increase its capacity from 25,000 barrels of apples to 52,000 barrels. The new portion is to be of fireproof construction, with a sprinkler system and modern equipment for maintaining low temperatures.

Fruit shipments during the past season consisted of 361 cars, including the following: apples, 204 cars; grapes, 81 cars; frozen fruit, 33 cars; export apples, 16 cars; currants, 15 cars; pears, 10 cars.

Each grower's fruit is handled separately and sold on its merits, except grapes, which were pooled the past season. The association is paid for storage services and receives a commission for selling fruit.

The gasoline and oil business is a recent development. Fifty-eight pumps are operated at strategic points. The net earnings from this line of activity are greater than those for all the other lines combined.

Fruit sales for the 1927-28 season amounted to \$350,000, income for storage was \$125,000, and the sale of fertilizers and farm supplies amounted to \$67,000. The package factory was operated at a loss, but the gasoline and oil business produced net earnings of \$8,494.

ASSOCIATION BUYS FARM SUPPLIES AND SHIPS GRAIN

Farm supplies with a sales value of more than \$40,000 were handled for its members by the Farmers' Union Cooperative Association, Mission Hill, S. D., during the year ending June 30, 1928. The most important item was feed, valued at \$14,470, then came coal, twine, flour, fencing, hardware, and salt. Feed grinding brought in \$1,003. In addition to buying supplies for its members the association shipped their corn, oats, barley, wheat, and rye. Net earnings for the year were \$9,663.

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LOUISIANA HAS MILLION DOLLAR ORGANIZATION

As purchases of farm supplies by the Louisiana Farm Bureau Federation, Baton Rouge, amounted to \$934,281 last year, that organization now considers itself in the million-dollar class. In its six years of service it has purchased goods for farmers to the amount of \$4,152,394. By far the largest item was fertilizer, with a total for all kinds of 24,185,627 tons, valued at \$687,488. Feed to the value of \$22,682 was handled, and seeds to the value of \$165,686, this including 74 cars of certified white potatoes valued at \$89,277. For the different years the volume of business has been as follows:

1922-23	\$211,920	1925-26	\$ 909,558
1923-24	794,086	1926-27	594,106
1924-25	708,442	1927-28	934,281

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COOPERATIVE BUYING AND SELLING IN TENNESSEE

Cooperative purchasing and cooperative marketing have been occupying the attention of the management of the Tennessee Cooperative Supplies Association, Columbia, since the first of the calendar year. Total business, as measured in dollars, has already passed the half-million mark. Nearly 3,000 tons of nitrate of soda have been purchased and resold to farmers for about \$130,000, also more than 12,000 tons of other fertilizers. Seed purchased amounted to \$15,000. Other farm supplies obtained in quantity included feeds, insecticides, sacks, twine and oils.

In cooperation with the Tennessee Farm Bureau Federation, the association sold 30 cars of early potatoes for farmers. These potatoes were shipped from three counties and were graded and federal inspection was secured. The graded stock was forwarded to the most promising markets. Such potatoes as still remain in the producing areas will be handled through the county farm bureau organizations.

ALL CONTRACTS ARE BINDING

From time to time cooperative marketing contracts are referred to as binding or iron-clad contracts, as though they were distinct and separate from contracts generally. Unless a contract is binding, and in this sense iron-clad, it is no contract at all. Binding, iron-clad instruments are the only instruments that are of any worth or value.

It is the desire, generally speaking, of the maker of every will, and usually of the beneficiaries thereunder, that the will be both binding and iron-clad. The buyer of property is also anxious that his deed be one that will enable him to defend his title against all the world. If a contract, regardless of the specific name which is applied thereto, is not enforceable, it is not a contract because the essence of a contract is that it is enforceable at law.

It is a mistake to think of cooperative marketing contracts as in a class by themselves, because the same fundamental principles that are applicable to contracts generally are applicable to cooperative marketing contracts. Cooperative marketing contracts may be enforced generally speaking through the remedies of injunction and specific performance. It is true that not all contracts may be enforced through the use of these remedies, but, on the other hand, all contracts, including cooperative marketing contracts, may be enforced through compelling the delinquent party to respond in damages. But entirely apart from cooperative marketing, commercial operators in proper cases have compelled producers to deliver tomatoes, pineapples and oil, as well as other products, through the remedies of injunction and specific performance, and it is trite knowledge that the courts quite universally compel parties to land contracts to abide by them through the remedy of specific performance. Cooperative marketing contracts are contracts, and it only creates confusion to refer to them as being in a class by themselves.

L. S. Hulbert.

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ASSOCIATION ACQUIRING EQUITABLE TITLE HELD TAXABLE

The case of Barrett v. Dark Tobacco Growers' Cooperative Association, decided by the Court of Appeals of Kentucky is reported in 3 S. W. (2d) 634.

Soon after its organization in 1922, the association held a meeting in Hopkinsville at which it solicited proposals from the owners of tobacco warehouses for the sale or leasing of their property. The proposals of sale or lease were made on a form prepared by the association, which covered all the provisions relating to purchase or lease of the property.

The choice as to whether the proposal should be one of sale or lease, as well as method of payment, was left to the owner of the warehouse, who was required to indicate at the end of the proposal whether it was a proposition to lease or sell.

Barrett attended the meeting and filed a proposal to sell for \$75,000 his tobacco warehouse at Wickliffe, Ky. His agreement with the association contained a provision for arbitration as to the value of the property in the event of disagreement.

The provisional valuation was not binding and was subject to modification by agreement or arbitration. Barrett and the association being unable to agree as to the value, arbitrators were selected who fixed the valuation at \$49,960.30. Barrett tendered the association a deed based on this valuation, but the association refused to accept the deed on the ground that the arbitrators had been guilty of misconduct.

Barrett brought suit to compel the association to go through with the transaction. The lower court held that the association was obligated to purchase, but set aside the arbitration because it was not made in accordance with the written contract or proposal to sell. The court directed the selection of new arbitrators, who fixed the market value of the property at \$22,500. The court rendered judgment requiring the association to accept the deed and pay Barrett therefor the sum of \$22,500.

Barrett appealed from the decision of the lower court, contending that the association was liable to him for rent on the property from December 1, 1922, to July 1, 1923; for premiums paid on insurance policies after December 1, 1922, to the date the association took over the property; and for taxes on the property for the year 1923.

The Court of Appeals stated that the contract which the parties entered into determines these questions. Disposing first of the question relating to taxes, it said that if the contract did not become effective until July 1, 1923, Barrett was bound to pay the taxes for the year 1923, but if the equitable title passed to the association on December 1, 1922, it was the duty of the association to pay the taxes.

The lower court held that the equitable title passed to the association on December 1, 1922, and, as there was no appeal by the association from that part of the decision, the Court of Appeals held that the association should pay the taxes.

With respect to the insurance premiums, the court stated that Barrett took out the insurance in his own name, without any authority or directions in the contract so to do and without any authority from the association. The decision of the lower court denying Barrett any right of recovery on account of the insurance premiums he had paid, was upheld.

Regarding the question of whether or not the association was bound to pay rent on the property from December 1, 1922, to July 1, 1923, the court said that the equitable title passed to the association on the former date and if it had been the intention of the parties that rent should be paid from that date, undoubtedly such intention would have been expressed in the contract. The decision of the lower court, holding that Barrett was not entitled to collect rent, was upheld.

H. M. Bain.

COOPERATIVE MARKETING COURSE FOR HIGH SCHOOL STUDENTS

Agricultural high school teachers taking the courses offered for credit by the American Institute of Cooperation, at the University of California, July 9 to August 4, developed a course in cooperative marketing for high school students. It was the opinion of these teachers that certain phases of marketing, particularly cooperative marketing, should be taught in connection with commodity projects and production studies. At the same time, a one-semester course should be offered in the senior year which would review in some detail the purposes, principles, and practices of cooperative organizations.

Work in marketing given in production studies, it was decided, should be such as to enable the student, as a prospective farmer, to plan his production program intelligently. Market news, standardization, market demands, and price trends are part of the subjects to be included. Any factors of market demand or market preferences which would influence production plans or practices may properly be taught as part of a course in production. The activities and accomplishments of farmers' cooperative associations should also be presented in so far as they modify practices in production, or bring about essential changes in the demand for the product.

There was some disagreement as to methods and subject matter which should be used in the course offered to senior students. A detailed outline of this course will probably be available for publication later. In general, however, the teachers appeared to favor a course which gave a picture of the marketing machinery, preferably that employed to market products with which the student is familiar. This may be followed by an analysis of the cooperative marketing movement, its relation to the present system, its purposes, accomplishments, and policies. A detailed study of the practices of associations marketing products grown in the community or region, followed by an analysis of the factors which lead to success in cooperative marketing, would complete the course.

It is desirable that high school courses in cooperative marketing should deal to a large extent with conditions and commodities with which the students come in contact. At the same time, however, one should avoid giving a limited outlook toward cooperative marketing problems. A study of the policies and practices of associations in other areas, therefore, should not be neglected. Similarly, the student should be taught that cooperation is a movement that is not static but is growing and developing. The course should give the students a vision of its possibilities for the future.

A. W. McKay,

SUGGESTED READING FOR COOPERATORS

Many officers and employees of cooperative organizations desire a broader knowledge of cooperation. With the thought that they would read more if they knew just what to read, a number of articles have been prepared for Agricultural Cooperation, suggesting worth-while books, telling something of their contents, and giving "thumb-nail" sketches of the authors to show their qualifications to speak with authority. The books mentioned might be purchased for the use of an association and circulated among its members.

As interest in cooperation in the United States has, to a large extent, centered around the marketing of farm products, a readable book dealing with the fundamentals of that phase of the subject is suggested first, "Cooperation in Agriculture," by G. Harold Powell, published by the Macmillan Company in 1914. For some years Mr. Powell was connected with the U. S. Department of Agriculture as pomologist in charge of transportation and storage investigations, and directed several studies which proved highly valuable to the citrus growers of Florida and California in moving their fruit to market. In 1911 he became general manager of the California Fruit Growers' Exchange and spent the next 12 years teaching the growers to cooperate. At his death in 1922 he left the citrus growers with a strong business institution in place of groups of competing selling agencies.

After telling why farmers need to work together, the writer lays down certain principles which with his wide experience he considers fundamental, then explains how to organize associations to deal with different commodities, how to carry on certain lines of work, and how to overcome certain difficulties. Naturally, considerable space is given to fruit marketing.

Some parts of the book are not up to date, such as the chapter on legal features, as new cooperative laws have been enacted by nearly every state, but in general the principles and practices advocated are those still advocated by leaders in cooperation.

Another book suggested is "Marketing Agricultural Products," by Benjamin H. Hibbard, Professor of Agricultural Economics of the University of Wisconsin, published by D. Appleton & Co. in 1921. This book was written for use by college students and also by persons actually engaged in marketing farm products. It is direct and practical. Part I. "The problems and mechanism of marketing," deals with marketing in general, giving a picture of how farm produce is sold. Part II. "Reforms through general organizations and politics," is largely historical, telling of the Grange and the succeeding organizations down to the American Farm Bureau Federation. Part III. "Reforms through cooperative business organizations," shows how the farmers have tried to improve their condition by joining forces in cooperative associations.

Chastina Gardner.

PRODUCE SOLD COOPERATIVELY IN THE NETHERLANDS

Cooperative auctions are utilized in the Netherlands as a means of disposing of large quantities of agricultural and horticultural products, especially the latter. Recent consular reports state that these sales in 1927 amounted to as much as \$32,614,000. Eggs are also handled by cooperatives, one organization selling 11,958,333 dozen in 1927.

Beginning after 1901, a number of cooperative beet sugar factories were established and at present most of the beets are made into sugar on a cooperative basis, the annual production having increased from 28,612 metric tons in 1901 to 575,576 metric tons in 1927. However, the industry is reported to be in a depressed state at this time because of the tariff policy of many countries which is unfavorable for the beet sugar of the Netherlands.

The number of cooperative associations of all kinds in the Netherlands at the beginning of 1928 is given as 3,104. Of these, 2,048 were agricultural. There were 799 agricultural credit societies, 522 cooperatives for buying and selling dairy products, and 727 for buying and selling other products for farmers.

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COOPERATION IN TYPICAL AREAS IN MINNESOTA

An intensive study in typical areas in two counties in Minnesota in 1927 indicates that 66 per cent of the farmers interviewed were members of cooperative associations. The study was made by the extension services of the United States Department of Agriculture and the College of Agriculture of the University of Minnesota. Approximately 90 per cent of the farms in four representative townships in Lyon and Blue Earth counties in the southern part of the state were visited. Two hundred sixty-six farmers out of 404 were selling farm products or buying farm supplies through cooperative associations. One hundred ninety-one farmers were members of cooperative creameries, 143 farmers belonged to livestock shipping associations, 37 farmers were members of cooperative elevator companies, and 50 farmers were members of associations for the cooperative purchase of gasoline, lubricating oils and grease.

One-half of the farmers belonged to but one association each; 41 per cent, to two associations; 7.5 per cent, to three; and 1.1 per cent, to 4 associations.

The percentage of farmers participating in cooperation in the selected areas is larger than the percentages for the two counties based on reports to the census enumerators in 1925, the percentage obtained by the recent study being 65.8, as compared with 39.4 per cent based on the census returns.

There was considerable cooperative development in these counties during the years 1925 and 1926, at least one new cooperative being set up.

REPORTED BY THE ASSOCIATIONS

The Bertrand Equity Exchange, Bertrand, Nebr., reports that it handled approximately 6,000 loads of grain last year and shipped 206 cars. Sales amounted to \$281,996 with gross earnings of \$14,727 and net earnings of \$5,098, after charging off \$2,570 for bad debts carried since 1922. Net worth at the close of the business year, June 22, was \$10,538. Grain, coal and merchandise are handled.

Members of the North Dakota Wheat Growers' Association, Grand Forks, N. D., received an interim payment on 1927 wheat during July. This payment brought the advance up to \$1.01 on No. 1 hard spring wheat, with differentials for other grades and classes. Final payment is to be made during September and each check is to be accompanied with a statement regarding the year's operations.

At the annual meeting of the Associated Growers of British Columbia, Ltd., Vernon, B. C., held June 12 and 13, the president of the organization was elected a director-at-large, making him equally representative of all districts. The executive committee was authorized to undertake any lines of research work which seemed advisable; an advertising campaign to the same extent as that of the past season was authorized for each of the two seasons 1928 and 1929; and a special representative to Great Britain was appointed.

During the past year the Alabama Farm Bureau Federation purchased and distributed 102,000 tons of fertilizer, serving not only farm bureau members but all farmers of Alabama. This fertilizer was worth about \$3,250,000 and was sold at low prices. The business was handled through the Federation's subsidiary, the Farm Bureau Mutual Supply Association, Montgomery. In the last five years the federation has handled 402,000 tons of fertilizer, worth more than \$13,000,000. A new line of service has been taken up recently, that of supplying equipment for home waterworks at reduced prices to members.

Tea is such an important item in the supplies handled by the English and Scottish Cooperative Wholesale Societies that they began some years ago to acquire land in India and Ceylon and produce tea on a large scale. During 1927 the tea estates in Southern India increased from 3,967 acres to 7,721 acres, and production of tea increased from 1,395,193 pounds to 3,864,796 pounds. As the quantity produced on these cooperative estates in India and Ceylon is less than 10 per cent of the requirements of the Wholesale Societies, the acreage is to be extended steadily from year to year.

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